

# NATIONS, STATES, AND GOVERNMENTS

## QUESTIONS TO CONSIDER

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- What is the difference between a nation and a state?
  - What is nationalism and where did it originate?
  - Describe the “crises” of nation-building.
  - What are “weak states” and “failed states”?
  - What is the difference between socialism and statism?
  - Are American attitudes on the role of government widely held?
  - What were Aristotle’s six types of government?
  - What are Dahl’s “influence terms”? Why are some better?
  - Can or should the state modernize its society?
  - What is “symbolic politics”?
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Which came first, states or nations? A **nation** is a population with a certain sense of itself, a cohesiveness, a shared history and culture, and often (but not always) a common language. A **state** is a government structure, usually sovereign and powerful enough to enforce its writ. (Notice that here we use *state* in its original sense; the fifty U.S. states are not *states* in this sense of the word.) Many argue that nations must have developed before states. States are rather artificial creations; they come and go and change form through the centuries. Surely nations must be the underlying element: Groups of people with kindred feelings must antedate government structures.

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**nation** Population with a historic sense of self.

**state** Government structures of a nation.

Historical research tends to refute this commonsense view. In most cases, it was states—government structures—that created their nations around them. The Zulus of South Africa, for example, are not a tribe but an artificially created nation put together from many clans and tribes less than two centuries ago by a powerful warrior, Shaka. Present-day people think of themselves as Zulus only because Shaka united them by conquest, forced them to speak his language, and made them great warriors.

France often comes to mind as a “natural” nation, a neat hexagon with a common history, language, and culture. But present-day France consists of several regions with very different languages and histories that were united—mostly by the sword—over the course of centuries. Paris inculcated a sense of Frenchness by means of education, language, and centralized administration. The French nation is an artificial creation developed by the French state for its own convenience.

The most artificial nation of all could well be the United States—put together through design by a group of men meeting in Philadelphia from thirteen distinct colonies. While assimilating tens of millions of immigrants of different languages and cultures, the United States developed a sense of nationhood over the years based largely on the ideals articulated in its founding documents. Nations do not fall from heaven; they are created by human craftsmanship of varying degrees of quality.

For many countries, the process of creation is not yet complete. The Spanish state coincides imperfectly with the Spanish nation. The kings of Toledo and Madrid tried to copy the French methods of centralization, but these Castilians were never able to impose a uniform sense of Spanishness on Catalans, Basques, Galicians, Andalusians, and Navarrese. **Regionalism** bedevils Spanish politics to this day. India existed only as a concept before the British conquered the Indian subcontinent and turned it into the **Raj**. The English language, the railroad, and the telegraph stitched India together. It, too, is plagued by breakaway ethnic movements, such as that of the Sikhs in the Punjab.

## ■ THE ELEMENTS OF NATIONHOOD

Nations are commonly said to have several defining characteristics, such as territory, population, independence, and government. By each point, however, we could place a question mark, for the characteristics are sometimes strong and clear and sometimes weak or absent.

### TERRITORY

In general, every nation occupies a specific geographical area. It is hard to have a nation without territory. But what about peoples without territory, who carry their “nation” around with them in their heads? Jews lost their territorial nation to

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**Regionalism** Feeling of difference sometimes found among populations of a nation's regions.

**Raj** British-ruled India.

## KEY CONCEPTS

## THE NOTION OF NATION

What are we to call this entity that dominates our lives, structures our politics, and brings forth our patriotism? Many terms are used, sometimes interchangeably. The terms have somewhat different meanings, though.

The colloquial expression is *country*, as in "Have you ever visited another country?" *Country*, of course, also means a rural or farming area, and centuries ago the two meanings were one. When people spoke of their "country" (French *pays*, Spanish *país*, Italian *paese*, German *Land*) they meant their native locality, perhaps not much bigger than a large U.S. county, where people shared the same traditions and dialect. Later the term broadened to mean a big, sovereign political entity, a nation.

The term *nation* has also been around for centuries, but not necessarily in its present sense. Far back in history, human groups called themselves nations, but originally this meant something like a big tribe, such as the "nation of Israel" or "Sioux nation." The Latin root of nation means "birth," so the word connoted the group you were born into and had some blood linkage with. The term *ethnic group*, from the Greek *ethnos*, meaning "nation," is in turn from the Greek for custom, *ethos*, indicating people with shared customs.

In the seventeenth century, the definition of nation changed to mean these large, powerful political entities that currently govern us. State power was merged with the notion of a people with much in common (history, culture, language) occupying a territory. This was the *nation-state*, a combination of people (nation) and government structure (state). It is usually just called *nation*.

The rise of the modern nation changed the face of the globe. Citizens—an old Roman concept that originated with the Latin for "city" and that revived with the idea of nation-states—transferred their ultimate loyalties from kings, churches, and localities to this new entity, the nation. Starting with the French Revolution in 1789 came the new force of **nationalism**, which quickly spread over Europe and then over the globe, unleashing the desire for peoples to govern themselves as independent nations. Vast empires, such as those of Austria-Hungary and Britain, fell apart as subject peoples demanded independence. As a result, many new countries were created, especially in Eastern Europe, the Americas, Asia, and Africa. Today, 193 entities call themselves nations.

Greek and Roman conquest some two millennia ago but, because many of them had a firm ideal of their peoplehood, were able to establish the modern state of Israel in 1948. Ironically, the people they displaced, the Palestinian Arabs, now also have a firm ideal of their peoplehood and strive to establish their own state. Should we count dispersed peoples, such as Jews or Palestinians, as a "nation"? Perhaps they are a potential nation, a people waiting or struggling to establish themselves on a territory.

And what occurs when territorial claims overlap? Wars often result. Most states and nations are rather artificial things; few have natural boundaries. Germany has fought France over Alsace; the United States has fought Mexico over Texas; and

**nationalism** A people's heightened sense of cultural, historical, and territorial identity, unity, and sometimes greatness.

Argentina still claims what it calls the Malvinas Islands from Britain, which calls them the Falklands. Which claim is rightful? What criteria should be used to decide?

History is a poor guide, for there was almost always someone else there first. Israelis and Arabs quarrel endlessly about this. (If you go back far enough, neither of them was there first.) Language and ethnicity may also be poor guides in deciding which territory belongs to which state. The peoples of the earth, unfortunately, are not neatly arrayed into nations; rather there is a lot of spillover into neighboring states. Most Alsatians, for example, are or were originally German in language, culture, and family names. Most, however, also speak perfect French and think of themselves as French. To whom, then, does Alsace rightfully belong, Germany or France?

## POPULATION

Every nation has people within its borders. Ideally, it should be a population with a sense of cohesion, of being a distinct nationality. Having a common language is a real help but is often not the case. For example, there has long been conflict between French-speaking and Flemish-speaking Belgians. Still, enough of both language groups “feel” Belgian to hold the country together. States with populations diverse in language, culture, or identification are called *multinational states*. Only half of the Soviet population was Russian; many other Soviet nationalities did not like being ruled by Moscow and broke away, producing fifteen countries where there used to be one.

What if part of a nation’s population does not want to belong to that nation? Some Basques in Spain would like to form an independent nation; some Québécois in Canada and Sikhs in India would like to do the same. If a substantial portion of the population is unhappy, the nation could fall apart. Many Slovaks resented being governed by Czechs and in 1993 set up a separate Slovakia. Slovenes and Croats resented being governed by Serbs, and in 1991 they declared their independence from Yugoslavia. Eritreans fought a long guerrilla war with Ethiopia and won their independence in 1993. Just because people are living in a particular state does not necessarily mean they like it; the state may be ready to explode.

## INDEPENDENCE

The nation should also be independent, meaning that it governs itself as a “sovereign” entity (see Chapter 1). Colonies, such as Algeria under the French, become nations only when they get formal independence, as Algeria did in 1962. Subdivisions of a nation, such as Quebec or Nevada, are also not considered nations since they lack sovereignty. Some Québécois would still like to become sovereign and independent.

There are some problems with the concept of independence, too. When a large, powerful country dominates a smaller, weaker country, is the latter fully independent and sovereign? Stalin set up obedient puppet governments in Eastern Europe—which is why these countries were known as Soviet “satellites”—and Soviet tanks crushed anti-Communist uprisings in Central Europe. Were these countries

truly independent? For that matter, does not the United States supervise things in its own backyard, in the Caribbean and Central America? Is Haiti, which was briefly occupied by U.S. forces in 1994, truly sovereign? By definition, all nations are sovereign and independent, but some are more sovereign and independent than others.

Bolstering sovereign independence is **diplomatic recognition** by other countries, especially by the major powers. This may be followed by exchanges of ambassadors and the setting up of embassies. If most of the important nations recognize a new country, it automatically confers a certain legitimacy on it. If no one recognizes the country, its claim to exist is dubious. Under white rule, South Africa created nominally independent puppet states out of some of its "black homelands," but no one else recognized them; the fake little republics were re-merged into South Africa as soon as Nelson Mandela became president.

## GOVERNMENT

A nation must obviously have some organizing hold over its population. The absence of such organization is **anarchy**, and it probably means that the territory will soon split apart or be conquered and absorbed by other nations. No government, no nation. Afghanistan is an example of the horrors of anarchy.

Government, however, can in certain circumstances exist independently of the nation. Underground governments or "governments-in-exile" struggle to expel occupiers or puppet governments. The Continental Congress was a **protogovernment** that preceded, conceived of, and fought for an independent United States. In 1940, General Charles de Gaulle declared a "Free French" government in London to expel the Germans, and many major powers recognized it as the government of France. With the liberation of Paris in 1944, it turned into a government with territory, population, and independence.

The existence of a legal government does not necessarily mean it is an effective government that controls its territory and population (discussed later). Where weak, governments may have trouble even staying alive in the face of domestic and foreign opposition. Bogota, for example, cannot control wide areas of Colombia, where drug dealers and guerrillas hold sway.

Older political theorists, influenced by legal abstractions, tended to take these characteristics of nations as givens. Wherever there was a nation, they reasoned, it must automatically have territory, population, independence, government, and other qualities. Modern political scientists discard purely legalistic notions and search for the empirical reality. Theoretically, country X is a nation, but does it really have a **cohesive** population and an effective, independent government that

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**diplomatic recognition** The official announcement by one state that it is prepared to have dealings with another state.

**anarchy** The absence of government.

**protogovernment** A beginning or trial-basis government.

**cohesive** Holding together.

allows it to control its territory? Some that claim the title of nation are actually **weak states**, such as Colombia, or even **failed states**, such as the Congo. Many nations—perhaps all—are continually building and rebuilding themselves.

## ■ THE CRISES OF NATION BUILDING

Some social scientists hold that the process of constructing nations—if the process is to be successful—requires that countries go through the same five stages in approximately the same sequence. Each opportunity for further growth represents a “crisis” in the life of the nation, which the state structure must resolve with greater or lesser success.

### IDENTITY

The “identity crisis” is the first hurdle in building a nation. People who previously identified with a tribe, region, or other subnational group must come to think of themselves first and foremost as citizens of the nation. This does not happen easily, quickly, or automatically. The American Civil War was fought over this point. France and Britain still contain regional groups that do not think of themselves as French or British but rather as Breton and Corsican (in France) or Scottish, Welsh, and Irish (in Britain). Swiss, except when traveling abroad, identify themselves as members of a canton (Bern, Geneva, Basel). Yugoslavia never established a national identity for its Serbs, Croats, Slovenes, Bosnians, Macedonians, and others. In this, Yugoslavia resembles many Third World countries, which have not yet solved their identity crisis. Many Africans still think of themselves as members of a tribe rather than as Sudanese or Nigerians.

### LEGITIMACY

Legitimacy does not fall from heaven. As discussed in Chapter 1, a government must cultivate the respect and willing obedience of its citizens, the widespread feeling among the people that the regime’s rule is rightful. Regimes with legitimacy problems can be overthrown by military coup, as in Latin America and Africa, or by revolution, as in Iran and Burma. Ultimately, as in the case of Yugoslavia, no legitimacy means no nation.

### PENETRATION

Related to both identity and legitimacy, the “crisis of penetration” means that the nation must get substantially all the population, even in outlying or culturally distinct regions, to obey the government’s writ. One quick check of penetration: Do

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<b>weak state</b>	One unable to govern effectively, corrupt and penetrated by crime.
<b>failed state</b>	One incapable of even minimal governance, with essentially no national government.

all areas pay taxes? If not, there is a penetration problem. Typically, the regime establishes its rule first in the capital, then slowly extends its rule over the country, often encountering resistance that requires military strength to overcome. Lack of penetration means that a government can have a law on its books—against drug trafficking, for example—but much of the country, including some officials, disregard the law. Afghanistan is a prime example of a government that scarcely exists outside of the capital, Kabul. In the Afghan provinces, warlords and drug lords rule by the gun.

### PARTICIPATION

As people become more educated, they demand to have a say in their governance. This feeling typically starts with the better-off and prominent people. The knights and wealthy burghers in effect tell the king or queen, "If you want taxes and military service from us, we demand a say in policy." The monarch, usually desperate for taxes, sets up a representative body to gain their compliance, such as the Parliament in England or Riksdag in Sweden. At first only the elite of society are thus represented, but gradually the desire for participation reaches all sectors of society—the common men and women—and they demand the right to vote. At a minimum, people need to *feel* they can participate in order for nationhood to evolve.

Regimes often resist expanding voting rights, fearing that the newly enfranchised will demand too much. Women got the right to vote in the United States only with the Nineteenth Amendment in 1920, Swiss women only in 1971. The danger is that unrepresented people will oppose the government, and regime legitimacy will erode. Eventually, the regime usually decides that expanding participation is better than breeding revolution. Said one British parliamentarian in the nineteenth century, "We count ballots rather than crack skulls." The white minority regime of South Africa was slow to realize this basic point.

The best way to solve the participation crisis is through slow and incremental steps, as Britain did in the nineteenth century. A series of Reform Acts expanded the British electoral franchise one step at a time, gradually giving more people the right to vote. This allowed both institutions and people time to adjust. Voting was meaningful and participation genuine. When suffrage is suddenly thrust on an unprepared people, however, the result is seldom democracy. On paper, Spain got universal male suffrage in 1874, well ahead of Britain, but in practice local bosses and the interior ministry controlled election results. In much of the Third World—where largely uneducated people got the franchise all at once—local political bosses or tribal leaders tell people how to vote.

### DISTRIBUTION

The "crisis of distribution" is never fully settled. It concerns the classic question of "who gets what?" Once the broad masses of citizens are participating in elections, they often want to change the distribution of the nation's income in their favor. "Why should the rich have everything?" they ask. Much of the working class

## KEY CONCEPTS

## WAR AND NATION BUILDING

War clearly plays a role in the growth of states. Most nations were established and consolidated by conquest. Heresies, rebellions, and breakaway movements were put down with great bloodshed. In some lands this is still happening.

For any ruler, state survival is the top priority. Monarchs and presidents alike will do whatever they must to avoid foreign conquest or internal dismemberment. In the interest of survival they build their military power to counter any combination of threats. This means that they must also enlarge and modernize their political systems.

First, they must constantly increase taxes to provide for armies and equipment. Peter the Great of Russia ordered his officials "to collect money, as much as possible, for money is the artery of war." The French monarchs instituted the mercantilist economic system, with its protected industries, to raise revenues. The need to raise money for war persuaded kings to share some power with parliaments. The power to tax is the preeminent power of legislatures. James I and Charles I precipitated the English Civil War when they tried to bypass Parliament by decreeing their own taxes in order to pay for their wars in Europe. After winning the English Civil War, the Parliamentarians beheaded Charles I in 1649 and laid the groundwork for establishing the eventual predominance of the House of Commons.

The need for a larger and better military establishment forced monarchs to improve the organization and administration of their kingdoms. They needed to raise both taxes and soldiers. Prior to gunpowder and cannon in the fifteenth century, feudal lords in their castles could defy monarchs, but as kings could afford more cannons, they were able to crack castle walls and subdue lords. This power ended the feudal system and boosted the absolutism of monarchs. Failure to modernize one's administration and army could lead to loss of power. The map of Europe became much simpler as small states were conquered and absorbed by larger states. War was the great engine of modernization and consolidation.

When French revolutionaries in 1792 faced an invading army of professional soldiers, they mobilized the entire population, "the nation in arms," and beat the invaders. Harnessing this new nationalism and using the new idea of drafting all young males, Napoleon built the largest army in Europe and proceeded to conquer the entire continent. To resist Napoleon's legions, other European lands turned to nationalism and conscription as well.

By either the power or example of its arms, European nations spread their organization, technology, and nationalism over Asia, Africa, and the Middle East. One traditional country after another fell to Europeans and soon adopted their ways. Those who were not conquered, the Turks and the Japanese, modernized sufficiently to stave off the Europeans. Warfare gave countries little choice: Modernize or die.

Reflecting for a moment on U.S. history, we may ask which contributed more to modernization: the modest welfare measures of Roosevelt's New Deal or the gigantic industrial and manpower mobilization of World War II? Indeed, many welfare measures flowed as a result of the war. The G.I. Bill gave millions of veterans college educations. The National Defense Education Act of 1958, triggered by the launch of the Soviet *Sputnik* the year before, pumped millions of dollars into U.S. higher education. One of the largest federal "welfare" programs is the Department of Veterans Affairs, a new department that even conservatives support. War plays a major role in the foundation and growth of the powers of government.



throws its votes to the party that promises higher wages, increased educational opportunities, and more welfare benefits. This is how the Labor parties of Britain and Norway and the Social Democratic parties of Germany and Sweden grew until they won power and established extensive welfare states funded by taxes that fall more heavily on the rich. To a lesser degree, the American working class gave much of its vote to the Democrats under Franklin D. Roosevelt and Lyndon Johnson in order to carry out a redistribution of income.

The distribution question is never over, however, because the poorer sectors of society always want more welfare, whereas the better-off, represented by conservative parties, argue that the welfare state has gotten out of hand, that taxes are too high and benefits too generous. When conservatives win elections—as Margaret Thatcher did in Britain in 1979 and Ronald Reagan did in the United States in 1980—they try to cut welfare programs. This raises a hue and cry from some voters who fear for their benefits. This permanent tug-of-war is the story of most elections in advanced, industrialized democracies.

Few nations have had the luxury of being able to deal with these crises one at a time and with sufficient pauses in between crises. These circumstances would allow a country's institutions—its parties, parliament, executive departments, and so on—to become stronger each time they surmount a new crisis. But what if all five crises hit at the same time? This has especially been the situation in the Third World. Newly independent countries, many of them with serious identity and legitimacy problems, are expected to implement complex laws, to give all citizens the right to vote, and to provide rising and equitable living standards. This is often too much for their weak economies and institutions to bear all at once, and they collapse into revolution or military rule. The first item to go is usually participation, hence the many Third World dictatorships. Unfortunately, the Third World does not have the luxury of spreading out its crises in this world of rapid change.

## ■ GOVERNMENT: WHAT IT IS AND WHAT IT DOES

All but the most primitive societies have had well-defined government structures. As noted, Locke, from whom our Founding Fathers borrowed heavily, viewed government as a device to protect rights and property. "The great and chief end," wrote Locke in *Two Treatises of Civil Government*, "of men uniting . . . under government, is the preservation of their property [and so, their natural rights]." To Locke, government represented an agreement between the rulers and the ruled, who would support those in power as long as the government served in their interests. Governments have a monopoly on the legal use of coercion. Bandits and rebels, of course, may use coercion too, but outside the law.

One thing governments do is grow. Since World War I began in 1914, the governments of the advanced industrialized countries today eat on average five times as much of gross domestic product—from 9 percent of GDP to 45 percent. Even the United States, which preserves a healthy distrust of big government and

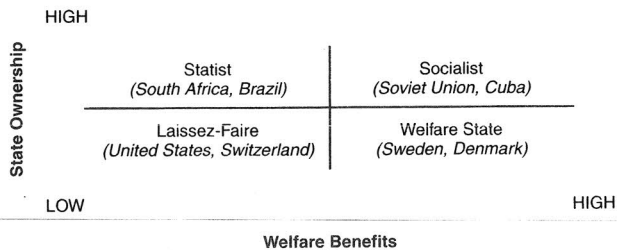
has attempted several conservative cutbacks of federal spending, has seen government spending rise from 27 percent of GDP in 1960 to 33 percent in 1998. Other countries have generally grown more—Sweden, for example, from 31 percent in 1960 to 61 percent in 1998. Some argue that such growth of government is unstoppable, because citizens keep demanding more and more—such as prescription drugs for oldsters in the United States—that even conservative administrations cannot reject.

### CLASSIFYING GOVERNMENTS

Most theorists agree that government should provide for the lives, stability, and economic and social well-being of citizens. This does not necessarily mean that government directly runs or supervises the economy or society. Nor does it mean that all governments pursue these tasks; corrupt and weak governments do not pursue them, but they risk being overthrown.

First, a nation must preserve itself as a state and ensure its national survival. It helps if the world community recognizes the nation's independence and the integrity of its boundaries—in a word, its sovereignty. Also important is a country's stability. A politically stable nation has an established system with the orderly transfer of power from one party or leader to another. It preserves domestic peace by delivering justice, maintaining law and order, and protecting property. A government can also enlist popular support by ensuring there are jobs, education, and health care for citizens, who then likely see the regime as legitimate.

How can government best advance the economic and social well-being of its citizens? States face two questions: (1) How much of the economy should the state own or supervise? (2) How much of the nation's wealth should be redistributed to help the poorer sectors of society? The answers produce four general approaches to promoting the general welfare: *laissez-faire*, statism, socialism, and the welfare state. These array themselves into a fourfold table (see Figure 3.1 below), much beloved of political scientists:



**Figure 3.1**

*Statist, socialist, laissez-faire, and welfare-state approaches.*

## CLASSIC WORKS

## ARISTOTLE'S SIX TYPES OF GOVERNMENT

The earliest and most famous classification of governments was Aristotle's in the fourth century B.C. He distinguished among three legitimate kinds of government—where the ruling authority acts in the interests of all—and three corrupt counterparts—where government acts only in the interests of self.

A monarchy, according to Aristotle, is one person ruling in the interest of all. But monarchy can degenerate into tyranny, the corrupt form, under which the single ruler exercises power for the benefit of self. Aristocracy, Greek for rule of the best (*aristos*), is several persons ruling in the interest of all. But this legitimate rule by an elite can decay into oligarchy, the corrupt form, in which several persons rule in the interest of themselves.

Aristotle saw the *polity* (what we might call constitutional democracy) as the rule of many in the interests of all and the best form of government. All citizens have a voice in selecting leaders and framing laws, but formal constitutional procedures protect rights. Aristotle warned that polity can decay into the corrupt form, democracy, the rule of many in the interests of themselves, the worst form of government. Deluded into thinking that one person is as good as another, the masses in a democracy follow the lead of corrupt and selfish demagogues and plunder the property of the hardworking and the capable. Aristotle's classification, which reigned for nearly twenty-five centuries, is still useful and can be summarized like this:

Who Governs	Legitimate Forms <i>Rule in the Interest of All</i>	Corrupt Forms <i>Rule in the Interest of Selves</i>
One	Monarchy	Tyranny
A few	Aristocracy	Oligarchy
Many	Polity	Democracy

→ best of the worst

In a *laissez-faire* system the government owns little or no industry and redistributes relatively little in the form of welfare programs. As we shall explore in Chapter 6 on ideologies, these countries are the followers of Adam Smith, who argued that government interference in the economy slows growth and decreases prosperity. As Thomas Jefferson summed it up, "That government is best that governs least." The theory here is that private enterprise and individual initiative make a nation both free and prosperous.

A **welfare state** owns little or no industry but does redistribute wealth to aid the less well-off. Sometimes also known as "social democracies," the welfare states of northwest Europe offer "cradle-to-grave" benefits in the form of health insurance,

**laissez-faire** French for "let it be"; economic system of minimal government interference and supervision; capitalism.

**welfarism** Economic system of major government redistribution of income to poorer citizens.

child care, job training, and retirement funds. To pay for this, they charge the world's highest taxes—in Sweden and Denmark more than 50 percent of the country's GDP. Industry, though, is private and oriented to capitalist moneymaking.

**Statism** is an old system that predates *laissez-faire*. A statist system is one in which the state (meaning the national government) is the number-one capitalist, owning and running much major industry, but is not interested in providing welfare benefits. Statism began when the French kings founded a powerful, centralized state that supervised industry for the sake of French wealth and power. Sometimes called by its French name *étatisme*, it typically includes state ownership of railroads, steel mills, banks, oil, and other big enterprises. Small and medium business is left in private hands. Statism caught on in much of Europe and Latin America. France, Brazil, and Mexico were statist systems but are now reforming. Some call the bureaucratic supervision of Japan's economy a form of statism. Many developing countries have followed statist models with the argument that only the government has the money, ideas, and talent to start up new industries. The economic results suggest state-owned firms are inefficient because they are run by bureaucrats and face no competition; often they operate at a loss and have to be subsidized by the national treasury. Statist Chile grew more prosperous after it privatized its state-owned firms.

A **socialist** system practices both state ownership and extensive welfare benefits. Exemplified by the former Soviet Union, government owns most of the means of production, claiming it runs the economy in the interests of the society as a whole. However, the collapse of Communist regimes (which called themselves "socialist"; we called them "Communist") throughout Europe indicates those governments ran things poorly. Today, only North Korea and Cuba remain as (negative) examples of socialism, and their systems seem ripe for change.

In actual practice, governments often combine elements of these four systems. Even the basically *laissez-faire* United States has some government supervision of the economy and welfare measures. Communist China and Vietnam, once strictly socialist, now have growing private, capitalistic sectors of their economy. The questions are never settled, and countries often change their combinations. In our day, we have seen a massive shift away from state-owned industry in the ex-Soviet Union, France, and Latin America. Welfare states like Sweden have felt the pinch of too-generous benefits and too-high taxes.

## THE STATE AS AGENT OF MODERNIZATION

A basic American attitude is that government—known in other countries as "the state"—be kept small. In much of the rest of the world, however, state power is accepted as natural and good. In France, for example, a strong state was started by

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**statism** Economic system of state ownership of major industries to enhance power and prestige of state; a pre-capitalist system.

**socialism** Economic system of government ownership of industry, allegedly for good of whole society; opposite of capitalism.